

Message Text

PAGE 01 STATE 239243

46

ORIGIN SS-05

INFO OCT-01 ISO-00 SSO-00 /006 R

66604

DRAFTED BY S/S-O:GTWOHIE

APPROVED BY S/S-O:GTWOHIE

----- 053804

O 311407Z OCT 74

FM SECSTATE WASHDC

TO AMEMBASSY LONDON IMMEDIATE

AMEMBASSY PARIS IMMEDIATE

C O N F I D E N T I A L STATE 239243

LONDON FOR COUNSELLOR SONNENFELDT; PARIS FOR ASST SECY
HARTMAN

FOLLOWING SENT SECSTATE WASHDC INFO BERLIN USMISSION USBERLIN
BONN ISLAMABAD LENINGRAD USMISSION NATO FROM MOSCOW 30 OCT 74:

QUOTE C O N F I D E N T I A L MOSCOW 16569

ISLAMABAD FOR THE SECRETARY'S PARTY

E. O. 11652: GDS

TAGS: PFOR, GW, UR, WB

SUBJ: FRG BRIEFING ON SCHMIDT VISIT

1. SUMMARY. FRG MFA STATE SECRETARY GEHLHOFF PROVIDED US
FAIRLY COMPLETE RUNDOWN OF SCHMIDT VISIT. ALSO PARTICIPATING
IN BRIEFING AT FRG EMBASSY WAS MINISTERIALDIREKTOR IN CHANCELLOR'S
OFFICE HISS. IN THE PRIVATE MEETINGS BOTH SCHMIDT AND
BREZHNEV EXPRESSED RESOLVE TO CONTINUE RELATIONSHIP ESTABLISHED
IN BRANDT ERA. IN GEHLHOFF'S DESCRIPTION, SOVIETS STONE-
WALLED FOR TWO DAYS ON BERLIN ASPECTS ON BILATERAL AGREEMENTS,
THEN WEDNESDAY MORNING PRODUCED COMPROMISE FORMULA WHICH
WOULD PERMIT WEST BERLIN TO PARTICIPATE IN BILATERAL EXCHANGES.
GREATEST MOVEMENT WAS ON SCIENTIFIC-TECHNICAL AGREEMENT, BUT
THE GERMANS ALSO NOTED PROGRESS ON CULTURAL EXCHANGE, TOURISM
CONFIDENTIAL

PAGE 02 STATE 239243

CENTERS, SPORTS EXCHANGES, AND POSSIBLY EVEN LEGAL ASSISTANCE.
ON THE NUCLEAR POWER PLANT ISSUE, THE SOVIETS ACCEPTED THE
PRINCIPLE THAT FOR THE FIRST TIME THERE COULD BE A DIRECT
POWER LINE, WITH POWER FLOWING BOTH WAYS, BETWEEN THE FRG

AND WEST BERLIN. AS OF THE TIME OF OUR BRIEFING THERE HAS BEEN NO FINAL AGREEMENT ON THE POWER PLANT DEAL BUT AGREEMENT WEDNESDAY WAS CONSIDERED POSSIBLE. THE GERMANS TOOK A HARD LINE ON CREDITS, TELLING THE SOVIETS THAT THERE WAS NO POSSIBILITY OF PROVIDING CREDIT FACILITIES OUT OF THE FRG BUDGET AND THAT THEIR ONLY COURSE WAS TO SEEK CREDITS IN THE GERMAN MARKET. AN AGREEMENT ON COOPERATION, ALONG THE LINES OF THE ONE SIGNED DURING THE 1973 BREZHNEV VISIT TO BONN, IS TO BE SIGNED. OVERALL, GEHLHOFF DESCRIBED THE TALKS AS NOT UNFRIENDLY BUT NOT VERY FRIENDLY FOR THE FIRST TWO DAYS, BUT YIELDING DEFINITE PROGRESS WEDNESDAY. END SUMMARY.

2. SCHMIDT MET WITH BREZHNEV FOR ONE HOUR AND 40 MINUTES MONDAY AFTERNOON, OCTOBER 28. TWO GENERAL STATEMENTS WERE EXCHANGED. IN A LENGTHY STATEMENT, BREZHNEV DWELT ON THE PAST HISTORY OF SOVIET-GERMAN RELATIONS AND ON THE TRAGIC EFFECTS OF WORLD WAR II. HE SAID THAT CURRENTLY BILATERAL RELATIONS ARE DEVELOPING IN A SATISFACTORY WAY AND THAT THIS SHOULD BE CONTINUED. BREZHNEV SAID THERE SHOULD BE MORE AGREEMENTS, BOTH WRITTEN AND IN PRACTICE, TO GIVE PROOF TO THE CONTINUITY OF THE BILATERAL RELATIONSHIP. BREZHNEV ALSO ADVOCATED LONG-TERM ECONOMIC COOPERATION, WITH AGREEMENTS OF 20, 25 OR EVEN 30 YEARS.

3. SCHMIDT IN REPLY ALSO REVIEWED THE PAST HISTORY OF THE BILATERAL RELATIONSHIP AND NOTED THAT HE WAS IN THE SOVIET UNION FOR THE THIRD TIME. SCHMIDT MENTIONED THAT THE GERMAN PEOPLE, TOO, HAD SUFFERED LOSSES IN WORLD WAR II. HE EXPRESSED HIS RESOLUTION TO CONTINUE THE BRANDT-SCHEEL POLICY. THE CHANCELLOR STRESSED THE IMPORTANCE OF THE 1970 BILATERAL TREATY AND OF THE QUADRIPARTITE AGREEMENT OF 1972 AS THE BASIS FOR THE BILATERAL RELATIONSHIP. HE SAID IT WAS IMPORTANT TO CONTINUE TO BUILD ON THAT RELATIONSHIP. THE FRG IS INTERESTED IN ENLARGING TRADE RELATIONS AND ECONOMIC COOPERATION AS A CONTRIBUTION TO THE STRENGTHENING OF PEACE. THE FRG IS READY TO SHARE BREZHNEV'S LONGRANGE VIEWS ON ECONOMIC COOPERATION. HOWEVER, THE TWO ECONOMIC STRUCTURES ARE DIFFERENT; THERE IS CONFIDENTIAL

PAGE 03 STATE 239243

A FREE MARKET IN THE FRG AND A STRONG PLANNING MECHANISM IN THE USSR. THE NEED IS TO WORK OUT BETTER MECHANISMS FOR COOPERATION BETWEEN THE TWO ECONOMIC SYSTEMS.

4. ON TUESDAY MORNING, OCTOBER 29, SCHMIDT MET KOSYGIN PRINCIPALLY ON ECONOMIC MATTERS AND THE TWO FOREIGN MINISTERS MET PRINCIPALLY ON BILATERAL POLITICAL PROBLEMS. IN HIS TALK WITH KOSYGIN, SCHMIDT GAVE A FULL EXPLANATION OF FRG POSSIBILITIES, AS WELL AS INABILITIES, IN PROVIDING CREDITS FOR THE SOVIET UNION. HE EXPRESSED A DEFINITE INTEREST IN TRADE AND ECONOMIC COOPERATION AND SAID THERE WERE MANY POSSIBILITIES FOR BIG DEALS. BUT THERE WAS NO POSSIBILITY AT ALL OF PROVIDING CREDIT FACILITIES OUT OF THE FEDERAL BUDGET.

THERE WAS ONLY ONE WAY FOR THE SOVIET UNION, AND THAT WAS TO PROFIT FROM CREDIT FACILITIES EXISTING NORMALLY IN THE GERMAN MARKET. IF A PRIVATE GERMAN COMPANY REDUCED ITS INTEREST RATES, GEHLOFF EXPLAINED, THIS MEANT THAT IT WAS ADDING SOMETHING TO THE PRICE OF THE DEAL.

5. SCHMIDT AND KOSYGIN ALSO DISCUSSED SPECIFIC PROJECTS, INCLUDING THE DELIVERY OF GERMAN PIPE IN EXCHANGE FOR THE PURCHASE OF GAS, A THREE-COUNTRY CONTRACT FOR THE DELIVERY OF GAS FROM IRAN VIA THE SOVIET UNION, AND THE POSSIBILITY OF DELIVERY OF A NUCLEAR POWER PLANT TO THE USSR. THE GERMANS CONDITIONED THE NUCLEAR DEAL ON THE NECESSITY FOR THE LINE TO GO FROM THE USSR VIA THE GDR DIRECTLY THROUGH WEST BERLIN AND ON TO THE FRG. THE CHANCELLOR INSISTED THAT THE LINE MUST SERVE WEST BERLIN DIRECTLY WITHOUT GDR INTERFERENCE. MOREOVER, HE DREW THE SOVIETS' ATTENTION TO THE PROBLEM OF SAFEGUARDS. THE SOVIET SIDE COUNTERED THAT THE TRANSFORMING STATIONS SHOULD BE IN THE GDR. THE CHANCELLOR SAID THAT THEY MUST BE IN WEST BERLIN. IN FACT, THE CHANCELLOR SAID THAT, UNLESS THE TRANSFORMING STATIONS WERE IN WEST BERLIN AND THE POWER RAN THROUGH WEST BERLIN DIRECTLY AND NOT VIA A BRANCH LINE FROM THE GDR TO WEST BERLIN, THERE COULD BE NO AGREEMENT. IN THE GERMAN VIEW, THE SOVIETS MADE ONE IMPORTANT CONCESSION: KOSYGIN ACCEPTED THAT THERE WOULD BE FOR THE FIRST TIME A DIRECT POWER LINE, WITH POWER FLOWING BOTH WAYS, BETWEEN THE FRG AND WEST BERLIN. IN OTHER WORDS, IN CASE OF AN INTERRUPTION OF POWER TRANSMISSION TO WEST BERLIN FROM THE EAST, POWER COULD FLOW TO WEST BERLIN FROM THE FRG. GEHLOFF SAID THAT CONFIDENTIAL

PAGE 04 STATE 239243

THERE HAD BEEN NO FINAL AGREEMENT ON THE NUCLEAR POWER PLANT BUT HE THOUGHT AGREEMENT MIGHT STILL BE REACHED WEDNESDAY AFTERNOON.

6. IN THE GENSCHER-GROMYKO TALKS TUESDAY, CONCENTRATION CENTERED ON SCIENTIFIC-TECHNICAL COOPERATION, CULTURAL EXCHANGE, AND THE ESTABLISHMENT OF TOURISM CENTERS. GROMYKO TOOK A VERY HARD POSITION ON THE BERLIN ASPECTS OF ALL THREE ISSUES AND THERE WAS NO MOVEMENT ON TUESDAY. ON WEDNESDAY, HOWEVER, THERE WAS CONSIDERABLE MOVEMENT IN THE GENSCHER-GROMYKO TALKS, MAINLY WITH REGARD TO THE SCIENTIFIC-TECHNICAL AGREEMENT. UNTIL THEN THE USSR HAD NOT AGREED TO INCLUDE IN THE EXCHANGES FEDERAL INSTITUTIONS AND THEIR EMPLOYEES LOCATED IN WEST BERLIN. ON WEDNESDAY, HOWEVER, THE USSR OFFERED A FORMULA WHICH WOULD NOT EXCLUDE PEOPLE FROM TAKING PART IN THE EXCHANGES BECAUSE OF THEIR RESIDENCE IN WEST BERLIN OR BECAUSE OF THEIR PROFESSIONAL ACTIVITY. GEHLHOFF DESCRIBED THIS AS A FORMULA FOR WHICH THE FRG HAD BEEN FIGHTING; NOW IT HAS BEEN ACHIEVED. DESCRIBING HOW IT WOULD WORK, HE SAID THAT, UNDER COVER OF AN OVERALL AGREEMENT, THERE WOULD BE AGREEMENTS ON SPECIFIC MATTERS BETWEEN MINISTRIES IN BONN AND MOSCOW AND THAT RELATED WEST BERLIN INSTITUTIONS (E.G.,

PUBLIC HEALTH INSTITUTE) WOULD TAKE PART BUT WITH NO PUBLIC ANNOUNCEMENT. THE SOVIETS SAID THAT IF THE FRG EVER ANNOUNCED THAT THE USSR HAD GIVEN IN ON THIS POINT, THE WOULD MAKE A STATEMENT TO THE CONTRARY.

7. THERE WAS ALSO MOVEMENT IN THE GROMYKO-GENSCHER TALKS ON CULTURAL EXCHANGE, TOURISM CENTERS, AND SPORTS EXCHANGES. ON THE LEGAL ASSISTANCE QUESTION, SPECIFICS WERE NOT DISCUSSED BUT THE COMMUNIQUE WILL HAVE BOTH SIDES STATING THAT A POSITIVE RESULT IS POSSIBLE.

8. SCHMIDT ALSO HAD PRIVATE TALKS WITH BREZHNEV TUESDAY AND WEDNESDAY BUT GEHLHOFF WAS NOT YET INFORMED OF THE RESULTS. INFORMATION ON THIS WILL BE MADE AVAILABLE TO THE U.S. EMBASSY IN BONN.

9. SUMMING UP, GEHLHOFF SAID THAT THE TALKS THE FIRST DAY (MONDAY) WERE NOT UNFRIENDLY BUT NOT VERY FRIENDLY EITHER. CONFIDENTIAL

PAGE 05 STATE 239243

THE SOVIETS TRIED TO EXERT CERTAIN PRESSURE ON THE FRG, AND DID THE SAME TUESDAY IN THE GROMYKO-GENSCHER MEETING. BUT ON WEDNESDAY, THERE WAS DEFINITE PROGRESS. GEHLHOFF EXPECTS A LENGTHY COMMUNIQUE TO BE SIGNED AND RELEASED WEDNESDAY AFTERNOON. HE SAID AN AGREEMENT ON COOPERATION, AN ADDITION TO THE MAY 1973 AGREEMENT, WILL ALSO BE SIGNED. THIS DEALS WITH FACILITATING COOPERATION AND CONTACTS BETWEEN INDUSTRIALISTS AND INDUSTRIES OF THE FRG AND COMPETENT AUTHORITIES IN THE USSR, AND SPEAKS OF COOPERATION IN THE EXPLOITATION, PREPARATION, AND DELIVERY OF RAW MATERIALS. HISS, BREAKING IN, DESCRIBED THE AGREEMENT AS A GENERAL FRAMEWORK SIMILARY TO THE ONE SIGNED 18 MONTHS AGO. THE FRG BRIEFERS SAID THAT AN OBSTACLE (UNEXPLAINED) HAD ARISEN IN THIS AGREEMENT BUT THAT IT TOO MAY BE SIGNED WEDNESDAY AFTERNOON.

10. ASKED WHETHER BELIN CAME UP AS A SEPARATE ISSUE, GEHLHOFF SAID THAT OF COURSE IT WAS DISCUSSED IN RELATION TO THE FIVE SPECIFIC ISSUES NOTED ABOVE (SCIENTIFIC-TECHNICAL, CULTURAL EXCHANGE, TOURISM CENTERS, SPORTS ACTIVITIES, AND LEGAL ASSISTANCE). IT ALSO CAME UP IN ITS OWN RIGHT. SCHMIDT EXPLAINED TO BREZHNEV THE IMPORTANCE OF THE BERLIN ISSUE TO THE FRG. THE SOVIETS SAID REPEATEDLY AND STRONGLY THAT THEY WOULD NOT TOLERATE ANY INFRINGEMENT OF THE QA. YET, SAID GEHLHOFF, TODAY THERE WAS REAL PROGRESS LEADING TO A COMPROMISE PERMITTING THE PARTICIPATION OF WEST BERLIN IN BILATERAL EXCHANGES.

11. IN ANSWER TO OUR QUESTION ABOUT BREZHNEV'S ABSENCE FROM THE LUNCH TUESDAY, GEHLHOFF SAID THAT THE ABSENCE IS NOT A SIGN OF STRAIN IN THE RELATIONSHIP. ASKED IF IT MIGHT MEAN THAT BREZHNEV WAS ENGAGED IN A LEADERSHIP MEETING OF SOME SORT, GEHLHOFF SAID HE DID NOT THINK SO BUT ADDED THAT PERHAPS

THE SOVIET LEADERSHIP HAD MET LATE INTO MONDAY NIGHT. BREZHNEV
TOLD SCHMIDT AFTER THE DINNER MONDAY NIGHT THAT HE WOULD BE
WORKING UNTIL AT LEAST TWO IN THE MORNING. STOESSEL UNQUOTE
INGERSOLL

CONFIDENTIAL

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 27 JUL 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MINISTERIAL VISITS, DEBRIEFINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE239243
Document Source: ADS
Document Unique ID: 00
Drafter: S/S-O:GTWOHIE
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D740311-0568
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741092/abbrzaal.tel
Line Count: 223
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 01 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 MAY 2002 by boyleja>; APPROVED <10 MAR 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FRG BRIEFING ON SCHMIDT VISIT
TAGS: PFOR, GE, UR, WB
To: LONDON
PARIS
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005